



KAYE BROMFIELD

BUSINESS CONSULTING SERVICES

# *2021 Apprenticeships and Trainees FAQ's*

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# *What you need to know about the Trainee/Apprenticeship program*

**What is my business entitled to claim for reimbursement of wages under the job maker program?** The Australian government is currently offering a boosting employment wage subsidy under the COVID19 job maker assistance packages of reimbursements for wage costs of 50% for new full-time or part-time apprentices/trainees. The costs associated with Tafe CertIV registration and some onboarding costs are also covered under this agreement.

**Does my trainee/apprentice have to study to take on a traineeship?** Yes. The trainee or apprentice must undertake an approved course in line with their traineeship agreement. For example, a business admin course to complete a traineeship in administration.

**When will I receive my subsidy reimbursements?** These payments are made quarterly or every six months, the wage subsidy forms need to be filled out by the employer and submitted to the RTO to claim this wage subsidy.

**How do I ensure the traineeship is set up correctly?** The employer needs to contact Australian Apprenticeships on 1300 363 831 to register their business and organize a representative to come out and meet with the candidate and employer to assist with commencing the traineeship. There is a backlog in processing applications so start early!

**What if I can't claim the 50% boosting employment wage subsidy?** Without the boosting employment wage subsidy, the maximum amount that is approved for the trainee is 1500 after six months of employment, and if the trainee completes their traineeship over a two-year period \$2500 will be reimbursed to the employer.

**How much do I need to pay my new trainee?** For school leavers and apprentices/trainees who have no former qualifications the cost of the course is subsidised by the government and this needs to be discussed in the meeting. This means the traineeship lasts 1-2 years instead of 3-4 years. The traineeship can be taken either part time or full time, however if the trainee is a school leaver it is in their best interests to take a full-time traineeship in order to qualify for a position and for the employer to have the lower rate of pay whilst the trainee is under 18. The rate of pay for the trainee (based upon a school leaver aged between 16 -18 years) would be \$10.19 per hour \$387.00 per week. Annually the amount would equate to \$20,124 so the out-of-pocket expenses for the organisation equate to \$10,062 for the 1st year of employment as an example. If the trainee is over 18 then minimum wage rates of \$18.83 per hour apply which is more costly but the organisation could run the traineeship part time to bring down costs temporarily.





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**Is there a limit to how many businesses can enroll for the 50% wage subsidy?** There were only 100,000 places for registration and so far the places are 45% filled so businesses act quickly to register their trainees and organize the initial meeting.

**How do I prepare a trainee contract?** After the initial meeting, the hours of work and study are decided upon by the employer and employee, and a contract is drawn up in reference to this agreement stating that the trainee agrees to work and study for the rate of pay and the days and times noted, for example, it could be 3 days at Tafe and the remaining two in-office gaining practical experience. The training contract should be approved by the RTO assessing the traineeship and they can assist if need be in the preparation of the contract.

**Where do I source a trainee to work in my business?** The employer can either choose a trainee, commence the recruitment process for a trainee or notify the traineeships organization that they require a trainee, and the organization will assist them in finding a suitable trainee.

**What is the difference between the hiring credit and the 50% wage subsidy for apprentices and trainees?** If the trainee found is also on job seeker then the organization can only choose the hiring credit if the trainee is under 35 which is \$200 per week or the trainee subsidy at %50 of the wage cost of the employee for the boosting trainee program. They are not entitled to both wage reimbursements.

**Can my business claim both the hiring credit and the 50% trainee wage subsidy for one employee?** No, the business can only choose one or the other.

**What happens if my trainee or apprentice quits the program?** The employer should still be able to claim the 50% wage subsidy for the time the trainee was employed and actively participating in their course requirements.



I hope you found this overview helpful for deciding on your options as they relate to the Government incentivized Trainee/Apprenticeship program. I'd love to help you wade through the paperwork and get you registered before all the places are gone! Get in touch using my details below if I can be of help in any way!

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